(b) whether work has begun on development of any of the proposed hundred clusters (25 khadi, 50 village industries and 25 Coir clusters) under the scheme; and

(c) if so, the details thereof?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) The Central Government has approved the Scheme of Fund for Regeneration of Traditional Industries (SFURTI). This Scheme envisages the development of 100 clusters in the khadi, coir and village industries sector over five years beginning 2005-06. All State Governments/Union Territory Administrations have been asked to send their proposals.

50 proposals (25 in the khadi sector, 9 in the village industry sector and 16 in the coir sector) have so far been received by the Government in the Ministry of Agro and Rural Industries for consideration under the scheme.

Spinners and weavers of khadi in rural areas

719. SHRIMATI HEMA MALINI: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that spinners and weavers of khadi have lost their jobs in rural areas;

(b) if so, what are those areas and what necessitated to make the spinners and weavers out of job;

(c) whether any steps are being considered to put back the affected spinners and weavers; and

(d) if not, the reasons therefor?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) The employment of spinners and weavers of khadi declined considerably during the period 1996-2002 but has shown some improvement since then. The decline was higher in the States of Uttar Pradesh, Bihar, Madhya Pradesh, Gujarat and Maharashtra. Spinning and Weaving of khadi and further production processes are carried out by khadi institutions which are autonomous bodies, generally registered as societies and supported by the Central

and State Governments through statutory organizations like the Khadi and Village Industries Commission (KVIC) and the State/Union Territory Khadi and Village Industries Board (KVIB) concerned. Paucity of funds with the khadi institutions for replacing outdated charkhas and looms, inadequate attention to production and sales planning, particularly product quality and marketability, weak working capital position of these institutions due to high unsold stocks and non-payment of rebate in time, etc., contributed to the decline of employment in the khadi sector.

(c) To promote the production and sales of khadi in the country and thereby generate additional employment of spinners and weavers, the following steps have been taken:

(i) Institutional credit at the concessional rate of interest of 4 per cent per annum is provided by banks as per the assessed requirement of the institutions registered with the KVIC/State KVIBs under the Interest Subsidy Eligibility Certificate Scheme;

(ii) Larger provision of funds for payment of rebate on sales of khadi;

(iii) Assistance for improved design and packaging of khadi and khadi products under the Product Development, Design Intervention and Packaging (PRODIP) Scheme implemented by the KVIC;

(iv) Rural Industries Service Centres (RISC) fof setting up Common Facility Centres (CFCs) to provide common infrastructural support and services to khadi institutions; and

(v) Assistance to khadi institutions to participate in exhibitions at the national and sub-national levels, etc., for improving marketing of khadi products.

Besides, the Government has recently approved the 'Scheme of Fund for Regeneration of Traditional Industries' (SFURTI) for implementation in 25 khadi clusters for their holistic development. It is expected that this will also improve the employment prospects of the khadi spinners and weavers.

(d) Does not arise.